

## *How to Best Organize for Economic Development in Hollister?*

This economic development strategy now recommends that ED staff and Advisory Committee concentrated the overall efforts for the next two years (August 2007 to July 2009) to maintain positive direction and achieve new economic growth. During this period the Hollister community will begin to move past the current moratorium on development. At the same time we can organize our local economic development efforts to target a few selected industries, support a marketing & retention effort while prospecting for new business leads. Highlights of proposed economic development activity over these next twenty-four months generally fall into the following four categories.

1. **Business Climate & Market Assessment**
2. **Support Local Businesses, Employees & Customers**
3. **Select a Few Key Target Industries for Outreach & Recruitment**
4. **Prepare Marketing, Create Leads & New Business Prospects**

Suggested guidelines for public & private sector players: Conduct an open review of the process & “fine tune” as we go. Involve a variety of participants from business, local government & supportive organizations. Ask for participation from local developers & property owners to identify and jointly market opportunities. Maximize limited public resources while encouraging full private sector participation. Be clear & consistent to achieve Hollister’s ED Strategy purpose & intentions.

Organizations that can be partners & help provide on going support for City of Hollister’s Economic Development Office include:

1. **San Benito County /Economic Development Corporation (SBC/EDC)**
2. **San Benito Chamber of Commerce**
3. **San Benito County Government**
4. **Hollister Downtown Association (H/DA)**
5. **San Benito Business Council**
6. **School Districts & Community College**

**1. Business Climate & Market Assessment:** Take a more detailed look at local “strengths, weaknesses, opportunities and threats” within the following issues. Development professionals, site selectors & corporate real estate specialists use this criterion when they evaluate the competitive advantages of any community for new investments. Typically, positive rankings in all areas need to be achieved for business decision-makers to move an expansion, relocation or new project forward.

- **Workforce and education**
- **Available Real Estate + Utilities**
- **Market Access & Transportation**
- **Business Environment & Perceptions**
- **Quality of Life**





## 2. Support Local Businesses, Employees & Customers

A very real challenge in Hollister is matching worker skill levels, number of available employees and type of jobs that can be created in emerging industries. As seen with business site selection criteria above, availability of skilled

workers is a top concern of every employer. Match this with the fact that at least 50% of Hollister resident workers commute to out-of-town employment each day. This commuter group is one source of potential employees for companies that are attracted to a Hollister location. City residents are also relatively young with a median age of 29 years old. However, this likely means that many potential local employees have not gained skills required by higher-wage industries; needing that right mix of experience & expertise. A specific ED strategy is to match target industries with those workers available locally. The opportunity for job training in selected industries is key to retaining employees.



Working closer to home results in the added benefit of shopping closer to home. Lately, Hollister merchants are losing significant consumer dollars to out-of-town stores. Gilroy outlets & chains & Salinas Mall are a few favorite alternatives. One ED strategy is to attract more retail opportunities with new stores in Hollister. But new retailers must be convinced a strong market exists. A second strategy is to encourage more local purchase of goods and services: providing a boost to both business & city government revenues. Increasing local employment, purchasing & consumer spending all go hand-in-hand to stimulate a more prosperous Hollister economy. The SB Chamber and Hollister Downtown Association attempted a holiday season “Buy Local First” marketing campaign this past year with limited success. More year-around efforts to promote local merchants and products will be

needed. Meanwhile, local residents can be shown the benefits of directing a higher percent of their monthly household budget to purchases of Hollister’s local goods and services.



## 3. Select Key Target Industries for Retention & Recruitment

**Economic Development Objective:** The national economy moves through periods of up, down and stable cycles of business and employment activity. In 2007, communities throughout the Greater Bay Area have rebounded from much of the downturn in high technology & the broader economy earlier in the decade. Home building & construction throughout Northern California have clearly driven much of the growth during the past five years.



Weighing the best prospects for local growth against a desire to focus ED activity and resources recommends a selected approach to business recruitment for the City of Hollister. Viewing strengths in our local economy & business development trends, the following industries stand out as potential

“targets” for growth and investment. As discussed later, forming specific industry teams of 3 to 5 local members to help promote, expand & recruit within these the industries is a key ED recommendation for the next two years. This type effort helps demonstrate a positive business climate with action-oriented supporters.

**More Retail Commercial Enterprise:** What’s our Retail Health? As reported in the California Retail Survey of 2007, the City of Hollister presently ranks among the bottom 20% of California cities in terms of overall retail sales activity and performance. This is a sharp contrast to even 3-years ago when the 2004 Retail Survey placed this community at a high-growth retail “five star” rating. At the same time, a large percentage of Hollister’s consumer dollars are spent shopping at out-of-town merchants. Another shopping fact is that Hollister households purchase at or above the California norm in only one key retail category...groceries. In order to attract & maintain a successful mix of retail merchants, a more thorough understanding of Hollister’s consumers & the marketplace is needed.

#### 4. Prepare Marketing, Create Leads & New Business Prospects

**ED Objective:** Create awareness of Hollister industrial & commercial property with opportunities to create leads for companies that may locate in business parks, and then work prospects to identify new businesses and create jobs in Hollister.

**Current status:** Hollister has historically attracted a mix of small to medium-sized (along with a few larger employers) manufacturing & distribution companies because of good access to the Northern California region & competitive real estate values. This includes past efforts by local developers & landowners to recruit specific executives & their companies.

Target industries for recruitment are identified in this ED Strategy so that Hollister can focus lead & prospecting activity on a few specific industries during the next two years. Six to ten selected sites will be identified as best suited for a limited number of targeted industries (i.e. “green” building & recycling industries, healthy foods & produce, motorcycles + off-road vehicles & parts, construction, biotech labs, airport oriented operators & local sustainable agriculture) on a priority list.